

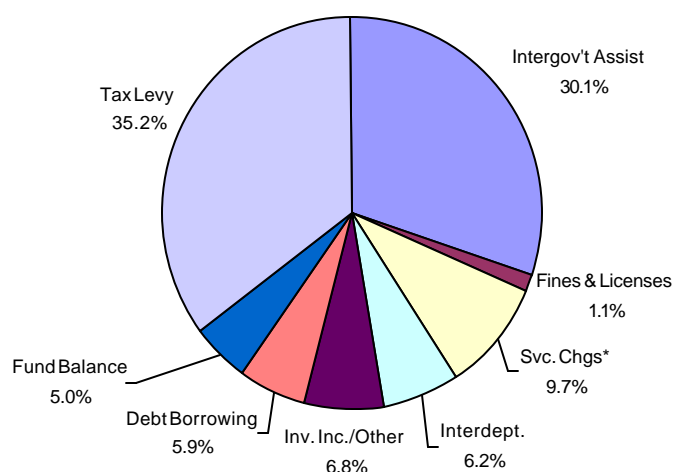
2003 REVENUE HIGHLIGHTS

Revenue Budget:

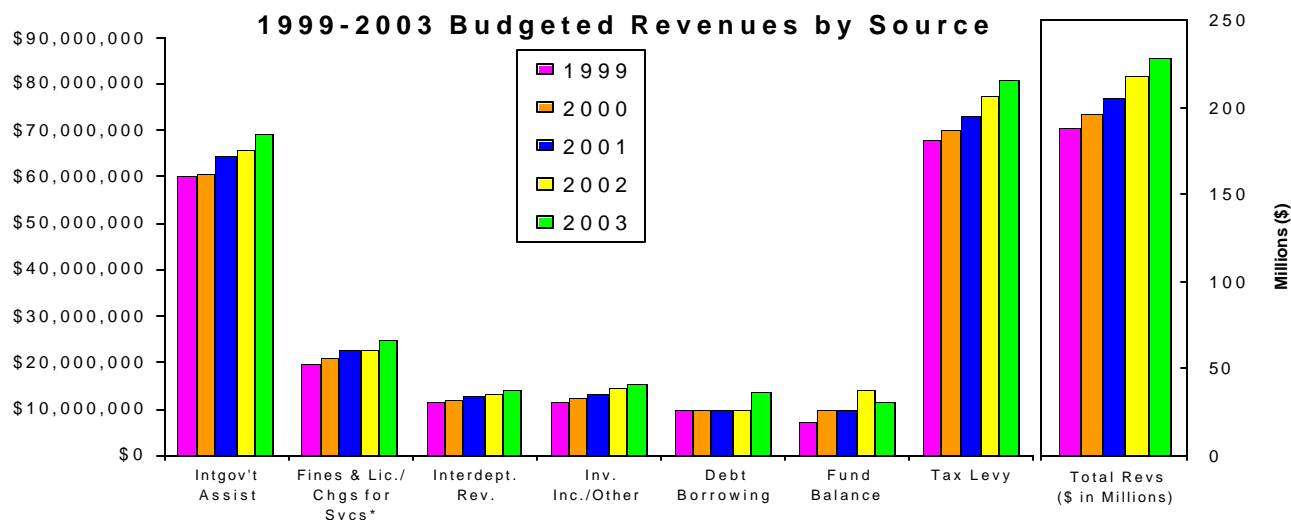
The 2003 revenue budget (excluding property tax levy, fund balance appropriations and revenue generating retained earnings) totals \$137,149,428, an increase of \$11,025,463 or 8.74% from the 2002 adopted budget. The net revenue budget is \$122,931,382 after elimination of \$14,218,046 of interdepartmental revenues (mostly from internal service funds), which are in essence double-budgeted. The 2003 revenues consist of departmental operating revenues budgeted at \$118,243,559 and capital project funding at \$18,905,869 including \$13,500,000 from planned borrowing. Overall, the operating revenues increase \$5,985,594 or 5.33% from the prior year budget. The increase is primarily due to a \$2,864,701 or a 5.0% increase in Intergovernmental Assistance Revenue and \$2,283,233 or a 10.8% increase in Charges for Service.

The graph below reflects the ratio of revenue sources budgeted for 2003 to all revenue sources, with Tax Levy (35.2%) and Intergovernmental Assistance (30.1%) as the major revenue components.

2003 Revenue Sources as a Percent of Total



The graph below reflects the revenue budgeted from all sources for 1999-2003. Nearly all sources have shown annual increases during the five-year period.



*Excludes retained earnings.

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2002 adopted revenue budget, by source, follows.

2003 REVENUE HIGHLIGHTS

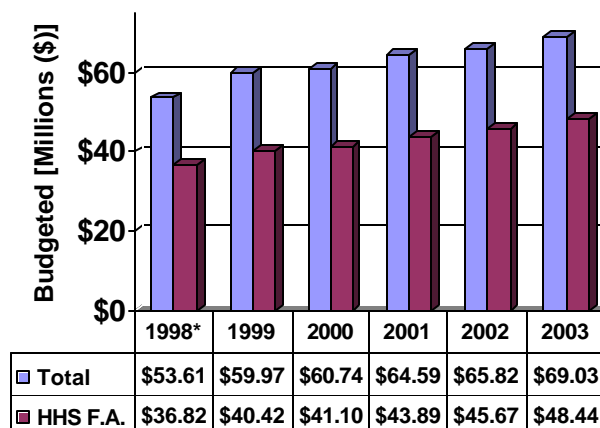
The property tax levy is not considered revenue for purposes of this section. Similarly, fund balance appropriations are not considered revenues, but rather reappropriation of prior years' funding used to reduce the amount of taxes that must be levied.

Intergovernmental Assistance:

Total 2003 intergovernmental contracts, grants and State aids are budgeted at more than \$69,028,255 representing an increase of approximately \$3,210,300 or 4.88% from the previous year's budget.

The Health and Human Services Functional Area (HHS F.A.) receives the majority of its funding from Federal / State intergovernmental assistance. The Health and Human Services Functional Area includes the Depts. of Health and Human Services, Senior Services, Veterans, Child Support, and Community Development Block Grant. Increase in annual funding is mainly from Federal funding for CDBG program assistance and Health and Social Services funding.

Intergovernmental Assistance



- **Health and Human Services -Long Term Care** funding revenues increases \$2,301,300. The Community Integration and Community Options Services program revenues increase \$1,921,500 primarily as a result of higher costs per day resulting from transferring twelve high cost individuals that required more complex service and increases in the days of care. The Developmental Disability Services program increases \$380,000 to partially fund intensive treatment services for six court assigned individuals at state centers and increased days of care for Medicaid Waiver services.
- **Department of Health and Human Services'** (HHS) Income Maintenance revenue increase of \$119,000 funds a portion of cost increases for economic support services. HHS pass through funding increases for Medical Assistance indigent burial of \$53,000, Medical Assistance transportation of \$38,000, and Birth to Three revenues of \$188,000. From 1998-2001, the Food Stamps and MA program for W-2 clients was administered through a contract with a private provider, decreasing funding by \$1.2 million (* Chart Footnote). Beginning in 2002, the state budget includes law changes reinstating the requirement for the County to directly provide these services, which results in increased costs and revenue reimbursements to the County. Youth aid revenue increases \$41,000 resulting from lower county correctional placements.
- The state **recycling grant** revenue increases \$197,500 from the 2002 adopted county budget levels to reflect budgeted state recycling grant allocations.
- **State shared revenues** are projected to decrease by an estimated 5%, or \$54,400.
- **Department of Health and Human Services** primary source of intergovernmental revenue, **the Basic County Allocation** (BCA) remains at the 2002 budget level of \$11.4 million. The lack of an increase in this state/federal funding source is the primary driver behind increasing Health and Human Services local levy need. Human Services levy increases \$1.1 million or 6.8% in 2003.

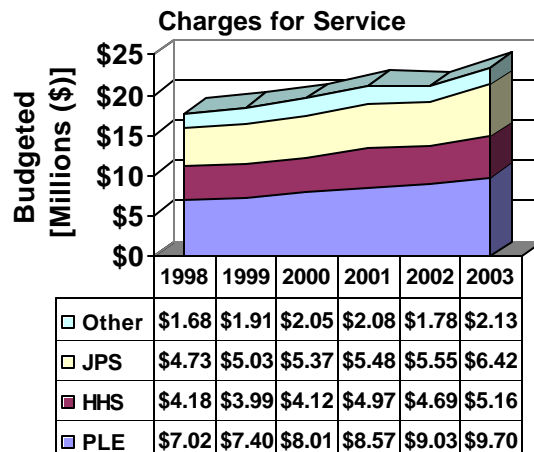
Charges for Services:

Charges for County services (user fees) are budgeted at \$23,410,296, which represents an increase of approximately \$2,283,200 or 10.8% from the 2002 adopted budget.

User Fees are charges for specific government services to those who utilize those services. They provide an equitable, proportional method to continue service operations without charging the general population. User fees collected include fees for document recording and real estate transfer and public admission for recreation usage (PLE), health care and services (HHS), and inmate stays, contracted patrols, and judicial and public safety (JPS).

2003 REVENUE HIGHLIGHTS

- **Sheriff's department** is budgeting first year telephone revenue as a charge for service of \$651,300, offset by vendor costs of \$264,500 for net revenues of \$386,800. The department implemented a telephone system in which the department operates a self-regulated system that provides greater accountability and monitoring. The previous commission-based system was operated by an external vendor, with the department previously budgeted \$361,800 as Other Revenue.



- **Department of Health and Human Services - Mental Health Inpatient** revenues increase \$306,000 reflecting an increase in the days of care and an increase in billable psychiatric coverage.
- **Register of Deeds** real estate transfer and recording fee revenues and related service revenues are budgeted \$341,000 higher than the 2002 budget. The increase primarily reflects an increase in the number of recorded pages per document. Document volume increases 5,000 (to 115,000) from the 2002 budget level of 110,000 documents.
- **Parks and Land Use** charges increase \$322,000 from an increase of \$111,000 for solid waste charges for landfill use and tipping fees from the composting project, an increase of \$55,800 in planning fees, \$47,000 for Land Information, \$44,000 for Parks, and \$89,000 for fees at enterprise facilities (golf courses, ice arenas, and exposition center).

Fines and Licenses:

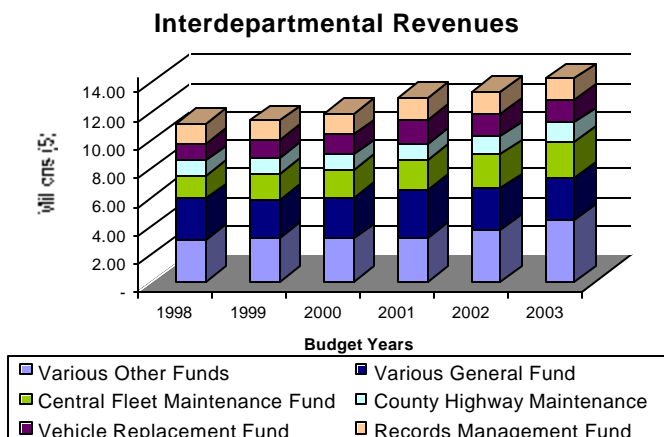
Overall fine and license revenues total slightly more than \$2,628,300 in 2003, an increase of more than \$124,700, or 4.98% from the 2002 adopted budget.

- **Parks Department** increases \$60,500 through increased license revenue of \$17,500 and permit revenue of \$43,000.
- **Justice and Public Safety** revenue from various fees increases \$47,800.

Interdepartmental Revenues:

Overall interdepartmental revenues total more than \$14,218,046, an increase of \$900,477 or 6.76% from the 2002 adopted budget.

- Revenue increases are realized across multiple internal service funds, such as the **End User Technology Fund** for computer replacement for \$546,300.
- **Public Works** department increases \$150,600 primarily due to fleet maintenance charges of \$83,000 and highway maintenance charges of \$68,400.
- **Department of Administration** revenue increase of \$165,300 for the cross charges to other county departments for risk management, radio services, and administrative charges.



2003 REVENUE HIGHLIGHTS

Other Revenues (Excludes fund balance appropriations):

(Note: Other Revenues described here exclude fund balance appropriations. However, the Other Revenues identified in the Agency and Organization Summary detail include surplus unreserved fund balance appropriated to reduce the amount of taxes levied.)

Revenues from other sources in the 2003 budget total over \$15.5 million. This represents an increase of almost \$1.0 million or 7.05% from the 2002 adopted budget.

- **Capital Project** revenue from non-county sources increases \$700,000 with revenue budgeted for the Retzer nature center of \$400,000 from the Waukesha School District and \$300,000 from the Friends of Retzer.
- **Investment** revenues are projected to increase by \$265,000, primarily driven by the **Treasurer's Department** increase of \$170,000 from higher invested cash balances, stable but slightly lower investment rates of return and Department of Administration's improved investment cash management practices and \$95,000 from interest and penalties on delinquent tax properties.

Debt Financing:

The 2002 budget includes borrowing of \$13,500,000 to finance a portion of 2003 capital projects. This represents an increase of \$3,600,000 in the level of borrowing from the 2002 adopted budget. The 2002 Budget of \$9.9 million was modified to borrow an additional \$4.7 million in 2002 and reduce a planned 2003 borrowing of \$18.4 million to take advantage of historically low interest rates in 2002.

Appropriated Fund Balance:

To reduce the 2002 tax levy (for 2003 budget purposes), the budget includes fund balance appropriations of \$11,528,986, mainly for one-time projects. This includes \$5,945,861 for the operating budget and \$5,583,125 for the Capital Projects budget.

Capital budget appropriations of fund balance include: \$1.34 million for the Justice Facility Project from prior year's jail assessment fees and federal marshal revenue; \$1,975,625 of General fund balance for the Waukesha County Communications Center; \$210,500 of End User Technology Fund balance; \$192,000 of the Parks-Golf Course fund balance; \$1.2 million of Capital Projects fund balance; \$500,000 of Telecommunications Fund balance; \$100,000 of Jurisdictional Transfer Reserve fund balance; and \$25,000 of Collections Fund Balance.

Operating budget fund balance appropriations, mainly for one time expenditure items, of most significance includes: \$1,300,000 related to debt service of which \$450,000 is designated 2002 (prior year) investment income; \$250,000 of Golf Course fund balance, \$150,000 of Materials Recycling Facility fund balance, and \$150,000 general fund balance for parkland acquisitions in the Tarmann Fund; \$398,546 of Human Services fund balance; \$207,000 of general fund balance for Non-Departmental General; \$900,000 of General fund balance for the Contingency; \$565,683 of general fund balance for the Non-Departmental End User Technology Fund; \$54,300 (to reduce taxes) for 2002 Tax Incremental District receipts from dissolved TIF's; \$50,000 for general fund park one time start-up costs, \$70,000 for prior year start up cost repayments to reduce the tax levy from the Collections Fund, \$190,000 for Radio Services to fund depreciation expense increase, \$182,986 for Risk Management; \$78,900 for Communications \$101,083 for Central Fleet; \$653,504 for Parks and Land Use Enterprise Operations; \$173,977 for Airport; \$90,000 for Child Support; \$163,948 for Sheriff, \$159,000 of general fund balance for Public works; \$15,934 for the Federated Library; and \$41,000 for Senior Services-Nutrition.

Tax Levy and Property Assessed Valuation:

The overall 2002 tax levy (for 2003 budget purposes) is \$80,609,559, which represents an increase of \$3,021,999 or 3.90% from the 2002 adopted budget. The total tax levy consists of general County purpose tax levy of \$78,065,454, a \$2,842,325 or 3.78% increase from the 2002 adopted budget, and the Federated Library tax levy of \$2,544,105, an increase of \$179,674 or 7.60% from the 2002 adopted budget.

The tax levy rate for the general County portion of the budget is \$2.3102 per \$1,000 of equalized value, a decrease of \$0.1105 or 4.57%. The tax levy rate for the Federated Library System is \$0.2643 per \$1,000 of equalized value, a decrease of \$0.0061 or 2.24%.

The County's equalized property valuation (excluding Tax Incremental Financing Districts) as determined by the Wisconsin Department of Revenue is at \$33,791,109,550, an increase of more than \$2.71 billion or 8.74% from the previous year.